

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
OFFICE OF THE SECRETARY OF TRANSPORTATION
AND THE
FEDERAL HIGHWAY ADMINISTRATION
FOR THE CONSOLIDATION OF THE
TRANSPORT PROJECT
WITH THE
MINISTRY OF COMMUNICATIONS
KINGDOM OF SAUDI ARABIA**

I. Purpose

To provide for the smooth and orderly transfer of Federal Highway Administration (FHWA) functions related to the Saudi Arabian TRANSPORT project from the FHWA to the Office of the Secretary of Transportation (OST), U.S. Department of Transportation, and to set forth FHWA and OST program and administrative responsibilities for the project after this transfer occurs.

II. Authority

A. U.S. - Saudi Arabian Joint Commission on Economic Cooperation agreement of October 26, 1983.

B. Title 23, United States Code, Chapter 2 and Section 308.

III. Project Background

In 1977, the Department of the Treasury and the Department of Transportation, Federal Highway Administration, jointly entered into a multiyear, multimillion dollar agreement with the Government of the Kingdom of Saudi Arabia, Ministry of Communications, to provide technical, administrative, advisory, and support services to assist in the operation and enhancement of the Saudi Arabian highway transportation system. A separate project agreement between the Department of Transportation and the Department of the Treasury to provide

systems other than highways (TRANS NET) was signed in November 1978. These two projects were combined in October 1983 under a single agreement (TRANSPORT) and are now operated as one project at the field office level. Administrative management and support at the Washington Office level for highway-related activities remained under the jurisdiction of the FHWA, while administrative management and support for all other functions were provided by OST.

During an April 19, 1985 meeting in the Office of the Department of Transportation, the Deputy Minister of Communications, Kingdom of Saudi Arabia, requested that the Washington management of all functions be combined in a single office, and officials of the Department agreed to comply with this request.

There have been three major emphasis areas for the TRANSPORT project: (1) to assist in the development, operation, and enhancement of a modern transportation department and program; (2) to provide specialized transportation training to develop the expertise of qualified Saudis selected by the ministry; and (3) to assist in the development, editing, and printing of a series of transportation program manuals for use by the Ministry of Communications.

IV. Responsibilities and Procedures

After the consolidation of the TRANSPORT project within OST, program and administrative responsibilities for the project shall be assigned as follows:

A. OST Responsibilities

Effective October 1, 1985:

- 1. OST shall be responsible for all daily program and administrative functions and operations for the project, including providing program oversight and overall management of the project, recruiting for all project positions, maintaining all personnel records such as time and attendance and leave records for all project personnel, and processing all necessary travel forms and vouchers.**

2. In accordance with the TRANSPORT project agreement established between the Department and the Ministry of Communications, Kingdom of Saudi Arabia, OST shall establish project goals, conduct semiannual reviews, and make policy and operational recommendations to improve the project, and shall consult with the FHWA with respect to the highway elements of the project.
3. An annual reimbursable task order type of agreement between the FHWA and OST will be executed to provide for routine FHWA technical expertise as necessary.
4. OST shall keep the FHWA informed of the current personnel status of all project employees who have FHWA reemployment rights.
5. OST shall provide copies of all periodic highway-related TRANSPORT project reports to the FHWA.

B. FHWA Responsibilities

Effective October 1, 1985:

1. The FHWA shall provide input for the establishment of highway-related project goals, including conducting semiannual reviews and making policy and operational recommendations to improve the project.
2. As requested by OST, the FHWA shall screen and interview applicants for highway-related project positions on the TRANSPORT team to determine their technical qualifications.
3. As requested by OST, the FHWA shall refer technical experts to OST, including both FHWA and non-FHWA personnel. The availability of FHWA personnel will be determined on a case by case basis.
4. The FHWA shall transfer to OST all TRANSPORT project files deemed necessary for future OST use that are currently being maintained by the FHWA.

5. Following the consolidation of the project within OST, and unless instructed otherwise, the FHWA shall continue the editing and printing of TRANSPORT project manuals initiated prior to October 1, 1985, including: (a) providing camera-ready plates for the project's Manual of Uniform Traffic Control Devices and shipping those plates and the necessary printing supplies to the Saudi Arabian Ministry of Communications as previously agreed; (b) printing the Standard Drawings, Volume 4, Highway Design Manual; and (c) typing a final draft of the General Specifications and delivering one copy and the computer tape to the Ministry of Communications for further processing. If after October 1, 1985, the Ministry requests OST to provide additional manuals or specifications beyond those previously agreed upon, for example, development of a geotechnical or bridge design manual or editing of additional chapters for the General Specifications publication, the FHWA will provide these services in accordance with a reimbursable agreement task order for these individual tasks as previously described in Section IV.A.3.

V. Project Transfer Procedures

A. Working Relationships

During the transition period preceding the effective date of this Memorandum of Understanding, individual groups shall be established to coordinate transfer actions in each program and administrative area, for example, Personnel, Procurement, Project Management, and Fiscal Services. Each group shall consist of representatives from the appropriate area within OST and the FHWA and shall meet as needed to effect a smooth and orderly transition. As necessary, the FHWA shall provide appropriate assistance to OST in assuming daily program and administrative operations for the project during the transition period.

B. Effective Date

The effective date of the transfer of project functions from the FHWA to OST shall be October 1, 1985.

VI. Limitations

Nothing in this Memorandum of Understanding shall be construed as limiting the statutory or regulatory responsibilities of OST or the FHWA, or as expanding their functions beyond those granted to them by law, or as requiring either party to expend any sum in excess of its respective appropriations. Each and every provision of this agreement is subject to the laws of the United States and the regulations of the Department of Transportation.

VII. Amendments

Amendments to this agreement may be proposed at any time by either party and shall become effective upon approval by both parties.

FEDERAL HIGHWAY ADMINISTRATION

By: Ray Barker
Federal Highway Administrator

Date: August 1, 1985

OFFICE OF THE SECRETARY OF TRANSPORTATION

By: [Signature]
Assistant Secretary for Policy
and International Affairs

Date: 8/13/85